

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 741 – HB 1207

March 20, 2019

SUMMARY OF BILL: Authorizes state agencies to provide child care services for state employees. Requires the Department of Human Services (DHS) to approve, administer, and coordinate such services. Requires each state agency that elects to operate a child care program be responsible for the maintenance, utilities, and other operating costs associated with the program. Requires fees be charged to employees using the child care services to offset the cost of providing the child care services.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Passage of the this legislation will result in a significant increase in state expenditures to approve, administer and operate child care programs for state employees, and a significant increase in state revenue from fees charged to employees using the child care services. A precise fiscal impact to state government cannot be quantified with reasonable certainty.

Assumptions:

- Pursuant to Tenn. Code Ann. § 71-3-502(a)(1), all persons or entities operating a child care agency are required to be licensed by the DHS, unless exempt as provided in § 71-3-503.
- Based on information provided by the DHS, the proposed legislation will require the Department to perform additional duties outside of the scope of current licensing activities and cannot be accommodated within existing resources.
- Based on information provided by the Department of Finance and Administration, the Department's Legal and Budget Divisions would need to be involved in the overall planning and development if a state agency chooses to participate in such employee related benefits.
- Passage of the proposed legislation will result in a significant increase in state expenditures to approve, administer, and operate child care programs for state employees.
- The proposed legislation establishes that the cost of child care services must be offset by fees charged to employees using the child care services.
- Due to multiple unknown factors, such as the number of state agencies that will choose to participate in the operation a child care program for their employees, the number of locations a state agency will choose to operate such a child care program for their employees, the utilization rate of such a child care program and the tax implications to

employees who utilize a child care program provided by state agencies, a precise fiscal impact on state revenue and expenditures cannot be reasonably determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/vlh